



The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the second quarter ended 31 December 2021. The figures have not been audited.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
<b>Revenue</b>	14,756	15,583	31,779	33,032
Operating expenses	(16,077)	(16,399)	(32,941)	(33,878)
Other operating income	166	242	516	535
Finance costs	(117)	(25)	(220)	(99)
<b>(Loss)/Profit before tax</b>	(1,272)	(599)	(866)	(410)
Tax expense	304	110	231	37
<b>(Loss)/Profit for the period</b>	(968)	(489)	(635)	(373)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	<u>(968)</u>	<u>(489)</u>	<u>(635)</u>	<u>(373)</u>
<b>(Loss)/Profit attributable to:</b>				
- Owners of the parent	(956)	(489)	(610)	(373)
- Non-controlling interests	(12)	-	(25)	-
	<u>(968)</u>	<u>(489)</u>	<u>(635)</u>	<u>(373)</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
- Owners of the parent	(956)	(489)	(610)	(373)
- Non-controlling interests	(12)	-	(25)	-
	<u>(968)</u>	<u>(489)</u>	<u>(635)</u>	<u>(373)</u>
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.76)	(0.39)	(0.48)	(0.30)
- Diluted	(0.76)	(0.39)	(0.48)	(0.30)

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At End Of Current Year 31/12/2021 RM'000	Audited As At Preceding Financial Year Ended 30/06/2021 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	28,205	28,520
Right-of-use assets	6,118	6,380
	<u>34,323</u>	<u>34,900</u>
<b>Current Assets</b>		
Inventories	49,513	43,975
Trade and other receivables	9,598	7,367
Current tax assets	516	416
Cash and cash equivalents	5,903	14,417
	<u>65,530</u>	<u>66,175</u>
<b>TOTAL ASSETS</b>	<u>99,853</u>	<u>101,075</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	63,145	63,145
Treasury shares	(146)	(146)
Reserves	19,752	20,362
	<u>82,751</u>	<u>83,361</u>
Non-controlling interests	16	(8)
<b>Total Equity</b>	<u>82,767</u>	<u>83,353</u>
<b>Non-Current Liabilities</b>		
Borrowings	1,679	1,641
Lease liabilities	29	45
Retirement benefit obligations	979	985
Deferred tax liabilities	1,362	1,755
	<u>4,049</u>	<u>4,426</u>
<b>Current Liabilities</b>		
Trade and other payables	6,580	8,913
Contract liabilities	1,370	616
Borrowings	4,893	3,451
Lease liabilities	186	311
Current tax liabilities	8	5
	<u>13,037</u>	<u>13,296</u>
<b>Total Liabilities</b>	<u>17,086</u>	<u>17,722</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>99,853</u>	<u>101,075</u>
<b>Net Assets per Share (sen)</b>	<b>66</b>	<b>66</b>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>For the three months ended 31 December 2021 - unaudited</b>	Share capital	Treasury shares	Capital reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01/07/2020	63,145	(146)	164	22,391	85,554	-	85,554
Profit (representing total comprehensive income) for the period	-	-	-	(373)	(373)	-	(373)
Dividend	-	-	-	(629)	(629)	-	(629)
Balance as at 31/12/2020	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>21,389</u>	<u>84,552</u>	<u>-</u>	<u>84,552</u>
Balance as at 01/07/2021	63,145	(146)	164	20,198	83,361	(8)	83,353
Profit (representing total comprehensive income) for the period	-	-	-	(610)	(610)	(25)	(635)
Additional investment in subsidiary	-	-	-	-	-	49	49
Balance as at 31/12/2021	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>19,588</u>	<u>82,751</u>	<u>16</u>	<u>82,767</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year 6 Months Ended 31/12/2021 <u>RM'000</u>	Preceding Year Corresponding 6 Months Ended 31/12/2020 <u>RM'000</u>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(866)	(410)
Adjustments for:		
Depreciation of property, plant and equipment	1,346	1,564
Depreciation of right-of-use assets	300	254
Loss/(Gain) on disposal of property, plant and equipment	-	(25)
Fair value adjustment on derivative instruments	-	(14)
Interest expense	220	99
Interest income	(80)	(95)
Inventories written down	829	394
Provision for retirement benefits	40	43
Reversal of impairment losses on trade receivables	(46)	(17)
Unrealised loss on foreign exchange	33	35
Operating profit before changes in working capital	1,776	1,828
Changes in:-		
Inventories	(6,366)	5,229
Trade and other receivables	(2,200)	4,373
Trade and other payables	(2,333)	(3,984)
Contract liabilities	754	949
Retirement benefits paid	(46)	(12)
Cash (used in)/generated from operations	(8,415)	8,383
Tax paid	(261)	(460)
Tax refunded	-	96
Net cash (used in)/from operating activities	(8,676)	8,019
<b>Cash Flows From Investing Activities</b>		
Interest received	84	94
Purchase of property, plant and equipment	(1,030)	(590)
Proceeds from disposal of property, plant and equipment	-	49
Net cash used in investing activities	(946)	(447)
<b>Cash Flows From Financing Activities</b>		
Contribution by non-controlling interests	49	-
Dividend paid	-	(629)
Interest paid	(64)	(10)
Net increase/(decrease) in short-term borrowings	2,632	(8,132)
Repayment of lease liabilities	(185)	(144)
Drawdown of term loans	351	-
Repayment of term loans	(336)	(349)
Net cash from/(used in) financing activities	2,447	(9,264)
<b>Net decrease in cash and cash equivalents</b>	<b>(7,175)</b>	<b>(1,692)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>11,591</b>	<b>14,597</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(7)</b>	<b>(9)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>4,409</b>	<b>12,896</b>
<b>Cash and cash equivalents at end of the period consist of:</b>		
Cash and bank balances	2,703	2,391
Deposits with licensed bank	-	50
Short-term funds placed with financial institutions	3,200	10,617
Bank overdrafts	(1,494)	(162)
	<u>4,409</u>	<u>12,896</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**PART A : REQUIREMENTS OF MFRS 134: INTERIM FINANCIAL REPORTING**

**A1 Basis Of Preparation**

The Condensed Consolidated Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021. The explanatory notes attached to the Condensed Consolidated Interim Financial Statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

**A2 Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2021 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations are not expected to have any significant impacts on the financial statements of the Group upon their initial application.

**A3 Seasonal Or Cyclical Factors**

Based on the nature of its products and the market demand, the Group's revenue usually is lower in the second half as compared to the first half of the financial year.

**A4 Unusual Items**

There were no items affecting the current financial quarter's assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A5 Changes In Estimates**

There were no major changes in estimates from those of the prior financial year which have a material effect for the current financial quarter.

**A6 Issuance, Repurchases And Repayments Of Debt And Equity Securities**

There were no issuance, repurchase, cancellation, resale and repayment of debt and equity securities during the current financial quarter under review and financial year to date except for the following:-

- (a) On 27 January 2022, the Company's issued share capital has increased by RM10,103,208 through the issuance of 25,258,020 new ordinary shares pursuant to private placement at the issue price of RM0.40 per ordinary share.
- (b) On 15 February 2022, the Company's issued share capital has increased by RM5,103,000 through the issuance of 12,600,000 new ordinary shares pursuant to private placement at the issue price of RM0.405 per ordinary share.

**A7 Dividends Paid**

No dividend was paid during the current quarter.

**A8 Segment Information**

The Group's activities fall within one business segment being the manufacture and sale of stationery and printing materials which are predominantly carried out in Malaysia. Apart from revenue from external customers by location of customers which are shown below, the required segmental information has already been disclosed in the interim financial statements:

	Current Year Quarter RM'000	Current Year To Date RM'000
Malaysia	5,290	8,649
Asia (exclude Malaysia)	5,197	6,882
Oceania	1,494	9,323
Europe	1,464	3,555
America	1,311	3,359
Africa	-	11
	<u>14,756</u>	<u>31,779</u>

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**A8 Segment Information (Continued)**

The directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

**A9 Events After The Interim Period**

Save as disclosed in Note B6 on the status of corporate proposals announced, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial report.

**A10 Changes In The Composition Of The Group**

There were no changes in the composition of the Group during the current financial quarter under review and financial year to date except for Chee Wah Corporation Berhad, a wholly-owned subsidiary of the Company, further acquired 50,490 new ordinary shares, representing 51% of the total issued and paid-up share capital in Rausyan Intelek Sdn. Bhd., for a cash consideration of RM50,490 on 12 July 2021. Rausyan Intelek Sdn. Bhd. remained a 51% owned subsidiary of the Group.

**A11 Contingent Liabilities Or Assets**

There were no contingent liabilities or contingent assets since last financial year ended 30 June 2021.

**A12 Material Related Parties Transactions**

There were no material transactions entered by the Group with any related parties.

**A13 Capital Commitment**

The group has the following capital commitment in respect of property, plant and equipment as at 31 December 2021:

	<u>RM'000</u>
Contracted but not provided for	<u>580</u>

**PART B : REQUIREMENTS OF APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS**

**B1 Review Of Performance**

For the current financial quarter ended 31 December 2021, the Group recorded a revenue of RM14.756 million as compared to the preceding year corresponding quarter of RM15.583 million. The decrease in revenue of RM0.827 million or 5% mainly due to lower demand in domestic and export market. As a result of lower revenue, the Group suffered a loss before tax of RM1.272 million for the current financial quarter as compared to the loss before tax of RM0.599 million in the preceding year corresponding quarter, representing increase in loss before tax of RM0.673 million or 112%.

For the six months ended 31 December 2021, the Group recorded a revenue of RM31.779 million as compared to the preceding year corresponding period of RM33.032 million. The decrease in revenue of RM1.253 million or 4% was mainly due to weak market sentiment in domestic market. The Group recorded a loss before tax of RM0.866 million for the current year to date as compared to the loss before tax of RM0.410 million in preceding year corresponding period, representing increase in loss before tax of RM0.456 million or 111% was mainly due to lower revenue.

**B2 Comparison With Immediate Preceding Quarter's Results**

	Individual Quarter Ended		Variance	
	31/12/2021	30/09/2021	RM'000	%
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	14,756	17,023	(2,267)	(13)
Profit/(Loss) before tax	<u>(1,272)</u>	<u>406</u>	<u>(1,678)</u>	<u>(413)</u>

The Group's revenue generated in the current financial quarter was RM14.756 million as compared to RM17.023 million in the immediate preceding quarter. The decrease in revenue of 13% was mainly due to lower demand from export market. As a result of the lower revenue, the Group recorded a loss before tax of RM1.272 million in the current financial quarter as compared to profit before tax of RM0.406 million in the immediate preceding quarter.

**B3 Prospects**

The Board anticipates that the performance of the Group remains challenging due to the uncertain macro-economic outlook and uncertainties market conditions affected by Covid-19 pandemic, despite Malaysia is implementing National Recovery Plan and the global economy activities are progressively resumed currently. The Group will continue to monitor and control the operational efficiency and financial sustainability. The Group cautiously expects to maintain current performance.

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B4 Profit Forecast/Profit Guarantee**

Not applicable as there were no profit forecasts published.

**B5 Tax Expense**

Breakdown of tax expense for the quarter ended 31 December 2021 is as follows:

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Income tax:		
Current year	126	164
Deferred tax:		
Current year	<u>(430)</u>	<u>(395)</u>
	<u><u>(304)</u></u>	<u><u>(231)</u></u>

Reversal of tax expense incurred for the current financial quarter was mainly due to loss position of the Group.

**B6 Status Of Corporate Proposal**

On 22 October 2021, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") had, on behalf of the Board of Directors of CWG Holdings berhad ("CWG") to announce that the Company proposes to undertake the following:

- i) a private placement which involves the issuance of up to 37,887,030 new ordinary shares in CWG ("CWG Share(s)" or "Share(s)") ("Placement Share(s)") representing approximately 30% of the total number of issued shares of CWG (excluding treasury shares) ("Proposed Private Placement"). For the avoidance of doubt, the Proposed Private Placement is not undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") and that the Proposed Private Placement is subject to specific shareholders' approval pursuant to Paragraph 6.05 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). The Proposed Private Placement is to be undertaken to the following parties:
  - a) Datuk Hong Choon Hau ("Placee") through a subscription agreement entered into with the Company on 22 October 2021 ("Subscription Agreement") for a private placement of 25,258,020 Placement Shares ("Subscription Share(s)") representing approximately 20% of the total number of issued shares of CWG (excluding treasury shares), at the subscription price of RM0.40 per Subscription Share; and
  - b) third party investor(s), where such investor(s) qualify under Schedules 6 and 7 of the Capital Market and Services Act 2007, which involves the issuance of up to 12,629,010 Placement Shares representing approximately 10% of the total number of issued shares of CWG (excluding treasury shares).
- ii) a bonus issue of up to 82,088,566 bonus warrants in CWG ("Warrant(s)") on the basis of 1 Warrant for every 2 existing CWG Shares held on an entitlement date, which will be determined and announced by the Board at a later date ("Warrants Entitlement Date") ("Proposed Bonus Issue of Warrants"); and
- iii) the establishment of the Company's Employee Share Options Scheme ("ESOS") of up to 10% of the total number of issued shares of CWG (excluding treasury shares) at any point in time over the duration of the ESOS ("ESOS Period"), for eligible persons ("Proposed ESOS").

(Collectively referred to as the "Proposals").

The Proposals are subject to the approvals being obtained from Bursa Securities, shareholders of the Company and any other relevant authorities and/or parties, if required.

The Proposals are expected to be completed by the first quarter of calendar year 2022.

On 17 November 2021, UOBKH, on behalf of the Board of Directors of CWG announced that the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 17 November 2021.

On 23 December 2021, UOBKH, on behalf of the Board of Directors of CWG announced that Bursa Securities had, vide its letter dated 22 December 2021, resolved to approve the following:-

- i) Listing and quotation of up to 37,887,030 Placement Shares to be issued pursuant to the Proposed Private Placement;

## EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### B6 Status Of Corporate Proposal (Continued)

- ii) Admission to the Official List and listing and quotation of up to 82,088,566 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- iii) Listing and quotation of up to 82,088,566 new CWG Shares to be issued arising from the exercise of the Warrants; and
- iv) Listing and quotation of such number of additional new ordinary shares, representing up to 10% of the total number of issued ordinary shares in CWG (excluding treasury shares), to be issued pursuant to the Proposed ESOS.

The approval granted by Bursa Securities is subject to the following conditions:-

- i) CWG and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposals;
- ii) CWG is required to furnish Bursa Securities with certified true copy of the resolutions passed by the shareholders at the extraordinary general meeting approving the Proposals;
- iii) CWG and UOBKH are required to inform Bursa Securities upon completion of the Proposals;
- iv) CWG is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- v) UOBKH is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;
- vi) UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation;
- vii) CWG and UOBKH are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements; and
- viii) Payment of additional listing fees pertaining to the exercise of Warrants and exercise of ESOS Options, if relevant. In this respect, CWG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new shares listed pursuant to the exercise of Warrants and exercise of ESOS Options respectively as at the end of each quarter together with a detailed computation of the listing fees payable.

On 28 January 2022, UOBKH, on behalf of the Board of Directors of CWG announced that 25,258,020 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 28 January 2022.

On 7 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that the Board had on 7 February 2022 resolved to fix the issue price for the Private Placement to Third-Party Investors at RM0.405 per Placement Share.

The issue price of RM0.405 per Placement Share represents a discount of approximately 9.03% to the 5-day VWAP of CWG Shares up to and including 4 February 2022, being the last traded day of CWG Shares immediately preceding the price-fixing date of RM0.4452 per CWG Share.

On 14 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that the Board had on 14 February 2022 ("Price-Fixing Date") resolved to fix the exercise price of the Warrants at RM0.36 per Warrant ("Exercise Price").

The Exercise Price was determined and fixed by the Board after taking into consideration, amongst others, the following:-

- i) the historical price movement of CWG Shares;
- ii) the Board's intention to fix the Exercise Price subject to a discount range of 10.0% to 30.0% to the 5-day VWAP of CWG Shares immediately preceding the Price-Fixing Date;
- iii) the Warrants are exercisable at any time for a tenure of 5 years from the date of issuance of the Warrants which may provide the shareholders an alternative to participate and trade in the equity derivative of CWG over the tenure of Warrants and potentially realize a capital gain in the event of any Share price appreciation; and
- iv) the Warrants will be issued at no cost.

The Exercise Price of RM0.36 represents a discount of 23.01% to the 5-day VWAP of CWG Shares immediately preceding the Price-Fixing Date of RM0.4676 per CWG Share.



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B6 Status Of Corporate Proposal (Continued)**

Further, on behalf of the Board, UOBKH wishes to announce that the Company had on 14 February 2022, executed the Deed Poll constituting the Warrants to be issued pursuant to the Bonus Issue of Warrants.

On 15 February 2022, the Company announced that Bonus Issue of Warrants in CWG on the basis of 1 warrant for every 2 existing ordinary shares in CWG held by entitled shareholders of the Company at 5.00 p.m. on 28 February 2022.

On 16 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that 12,600,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 16 February 2022, marking the completion of the Private Placement.

Save for the above, there was no other corporate proposal announced and not completed as at 18 February 2022.

**B7 Status of utilisation of proceeds raised from private placement**

As at 18 February 2022, the status of utilisation of proceeds of RM15,206 million raised pursuant to the Private Placement is as follows:-

Details of Utilisation	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Balance to be Utilised	
	RM'000	RM'000		RM'000	%
Working capital *1	5,974	350	Within 12 months from the date of completion of the private placement.	5,624	94.14
Working capital *2	8,962	2,737	Within 12 months from the date of completion of the private placement.	6,225	69.46
Expenses *3	270	140	Upon completion of the private placement.	130	48.15
	15,206	3,227			

\*1 The working capital comprising payment to suppliers/creditors of the Group.

\*2 The working capital comprising defrayment of operational expenses including the purchase of materials, staff related expenses such as salaries, wages, allowances, interest expenses and other operating expenses such as utilities, upkeep of offices and maintenance of plants and machinery.

\*3 The expenses comprising professional fees, fees payable to relevant authorities and other related expenses. Any excess/shortfall in funds for expenses will be adjusted to/from funds allocated for working capital.

**B8 Group Borrowings And Debt Securities**

Group borrowings as at 31 December 2021 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bank overdrafts	-	1,494
Bankers' acceptances	-	2,774
Term loans	625	-
	625	4,268
b) <u>Non-current liability</u>		
Term loans	1,679	-
	1,679	-

c) The Group borrowings are denominated in Ringgit Malaysia.

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B9 Changes In Material Litigation**

The Group is not engaged in any material litigation as at 23 February 2022.

**B10 Proposed Dividends**

There was no dividend proposed in the current and previous corresponding quarter.

**B11 Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2021 RM '000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM '000	Current Year To Date 31/12/2021 RM '000	Preceding Year Corresponding Period 31/12/2020 RM '000
(Loss)/Profit attributable to owners of the parent	(956)	(489)	(610)	(373)
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Number of ordinary shares	125,796	125,796	125,796	125,796
Weighted average number of shares				
Basic (loss)/earnings per share (sen)	(0.76)	(0.39)	(0.48)	(0.30)

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the financial period.

**B12 Auditors' Report On Preceding Annual Financial Statements**

The latest audited financial statements for the financial year ended 30 June 2021 were not subject to any qualification.

**B13 Notes To The Condensed Consolidated Statement Of Comprehensive Income**

	Current Year Quarter RM'000	Current Year To Date RM'000
Profit for the period is arrived at after crediting/(charging):		
- Depreciation of property, plant and equipment	(664)	(1,346)
- Depreciation of right-of-use assets	(150)	(300)
- Reversal of impairment losses on trade receivables	8	46
- Interest expense	(117)	(220)
- Interest income	33	80
- (Loss)/Gain on foreign exchange	(47)	7
- Inventories written down	(432)	(829)

**B14 Derivatives**

There were no derivatives entered into by the Group as at 31 December 2021.

**B15 Gains/Losses Arising From Fair Value Changes Of Financial Liabilities**

There were no gains/losses arising from fair value changes of financial liabilities for the current financial quarter.

**B16 Authorisation For Issue**

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 23 February 2022.